

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WISCONSIN**

ANNIE LAURIE GAYLOR; DAN
BARKER; IAN GAYLOR, Personal
Representative of the estate of ANNE
NICOL GAYLOR; AND FREEDOM
FROM RELIGION FOUNDATION,
INC.,

Plaintiffs,

v.

JACOB LEW, Secretary of the United
States Department of Treasury; JOHN
KOSKINEN, Commissioner of the
Internal Revenue Service; and the
UNITED STATES OF AMERICA,

Defendants.

Case No. 16-CV-215

DECLARATION OF BISHOP EDWARD PEECHER

1. My name is Bishop Edward Peecher. I am over the age of 21 and am capable of making this unsworn declaration pursuant to 28 U.S.C. § 1746. I have not been convicted of a felony or crime involving dishonesty, and the facts below are either within my personal knowledge or are based on upon teachings of my church with which I am familiar and which I believe to be true and correct.

2. I am the bishop and founding pastor of the Chicago Embassy Church (“Chicago Embassy Church” or “Church”) in the Englewood neighborhood on the South Side of Chicago, Illinois. I was born and raised in Chicago’s South Side, in the Ida B. Wells housing projects and in the Englewood community, where I attended Englewood High School. In 1969, I began working for AT&T as a cable splicer. In

1973, at 23, I became a Christian. While working at AT&T during the day, I took evening classes at Moody Bible Institute in Chicago and eventually graduated with a degree in pastoral studies. By 1983, I had worked my way up to a position as an account executive responsible for selling large communications systems to Fortune 500 companies and government entities. That year, I started a Bible study group in my office. In 1984, we began meeting for Sunday worship services, and I founded the Church that is now known as Chicago Embassy Church. I was able to resign my position at AT&T and enter the ministry full-time in 1986. I joined the Assemblies of God and in 1992 became the first African-American to be elected presbyter. I have been the Bishop of Chicago Embassy Church for over 30 years.

3. Chicago Embassy Church is a member of the Illinois District Council of the Assemblies of God USA. The congregation is predominantly African-American. About 200 members attend worship services each Sunday.

4. My pastoral duties vary from day to day, but they share common characteristics—needs may arise at any hour of the day or night, and I cannot meet them if I am not near my congregation and the community. A pastor is always on-call. I need to live within a few minutes of my parishioners so I can be available to respond quickly to spiritual crises, illnesses, and even deaths. This is why my wife and I live in Bronzeville, only 3 miles from the Church.

5. I regularly preach at the Church and share preaching duties with pastoral staff under my training. But my calling extends beyond the four walls of the Church. I meet with, counsel, encourage, and shepherd members of the Church and the

community, whether at the Church, in their homes, in my home, or on the street. About two nights per week I leave home in the evening to visit Church and community members who need pastoral care. And these needs often arise without advanced warning. If I lived far from the Church, I could not respond quickly enough.

6. A pastor is called to provide spiritual leadership to his flock, and spiritual leadership is, by its nature, exemplary. A pastor must set the example for how the people he serves ought to live. *See* I Timothy 4:12 (“[B]e thou an example of the believers, in word, in conversation, in charity, in spirit, in faith, in purity.”); I Corinthians 11:1 (“Be ye followers of me, even as I also am of Christ.”). The only way I can fulfill this responsibility is to live among the flock that I care for.

7. I often use my home in fulfillment of my duties as Bishop. I have a home office where I prepare my sermons. I invite members of the Church into my home for individual spiritual counseling, prayer meetings, and social events. The Church’s pastoral team meets in my home as well.

8. Jesus called his disciples to do more than preach the Gospel with our words. He called us to feed the hungry, clothe the naked, and visit the sick and imprisoned. *See* Matthew 25:34–36 (“Come, ye blessed of my Father, inherit the kingdom prepared for you from the foundation of the world: For I was an hungred, and ye gave me meat: I was thirsty, and ye gave me drink: I was a stranger, and ye took me in: Naked, and ye clothed me: I was sick, and ye visited me: I was in prison, and ye came unto me.”). For this reason, ministering to temporal as well as spiritual needs of individuals in our community is a fundamental part of how we worship God.

9. The Church is in Chicago's Englewood neighborhood, which has among the highest crime and poverty rates in the city. To fulfill the Lord's call to love and care for our neighbors, the Church sponsors and runs a variety of community programs in Englewood. We feed the hungry in the community, including an annual Thanksgiving food giveaway that has served about 1,000 meals to individuals, families, and residents in nursing homes in the Englewood community. We have sponsored a homeless shelter for women, a drug intervention and rehabilitation program, and a youth tutoring and mentoring program. For many of these programs, the Church partners with other local churches, schools, businesses or even with the City of Chicago.

10. In 2009, I started the Chicago Peace Campaign, a multi-community effort that organizes churches and faith-based organizations to establish peace in areas of Chicago that have been most impacted by violence. We stand on the street corners in the most critically violent sections of Englewood and engage directly with those who are or might be gang members. We pray with them and talk with them, offering them an alternative to violence. We have seen as much as an 11% reduction in violent crime in the neighborhoods where the Peace Campaign takes place. Though we don't know for sure how much of this is directly tied to our ministry, I believe that we are making a difference, and that our ministry helps to make peace happen in Chicago.

11. Our other community ministries include:

- a. Safe Haven Child Safety: The Church is part of the Chicago Public School (CPS) Safe Haven program, which allows CPS students access to the Church building for safety as they travel back and forth to school.
- b. Safe Haven Summer Camp: In conjunction with CPS, the Church provides a CPS curriculum day camp for the students of the neighborhood. The program runs from the end of the school year until a week before the beginning of the next school year.
- c. Prom with a Purpose: In conjunction with the Chicago Police Department, the Church collects dresses and suits from retailers and donates them to high school children who are attending their school proms. In many cases these are the first dresses and suits these children have owned.
- d. Homeless Ministry: The Church donates blankets and toiletry kits to homeless individuals. The annual donation is about 150 kits per year.

12. I spend about thirty hours per week serving in these community ministries. My full-time participation is critical to these programs. And I consider them to be a fundamental part of my calling to the ministry.

13. As part of my compensation, the Church provides me with a housing allowance of \$3,000 per month. Because my wife and I own our home, I use the housing allowance to make our mortgage payment and to cover other costs associated with home ownership. When I file my tax returns, I exempt the amount of the housing

allowance from my gross income under 26 U.S.C. § 107(2). I plan to continue to do so in the future.

14. The housing allowance enabled me to purchase a home near the Church. When I first started Chicago Embassy Church in 1984, I had to maintain another full-time job because the Church could not pay me. The Church could not afford to give me a housing allowance until sometime in 1986 or 1987. At that time, I was able to qualify for a mortgage on the basis of pay stubs from the Church showing that I was receiving a housing allowance, and a commitment letter from the Church stating that the allowance would continue. Likewise, when my wife and I refinanced our home earlier this year, my salary alone, without the housing allowance, was insufficient to qualify us to refinance. Only with the additional housing allowance were we able to qualify and refinance our home.

15. Providing me with a physical parsonage rather than a cash housing allowance would pose a major financial hurdle for Chicago Embassy Church. The Church had no money to make a down-payment on a house when I started it over 30 years ago. Even now, purchasing a parsonage would require a substantial up-front investment that the Church simply cannot afford if it is to continue its community programs that serve the people in Englewood.

16. It is my understanding that the Freedom From Religion Foundation (“FFRF”) filed a lawsuit seeking to strike down the parsonage allowance in § 107(2). It is also my understanding that if § 107(2) is struck down, then the IRS will tax my housing allowance.

17. Paying taxes on my housing allowance would create a severe financial burden for my family. Because the housing allowance represents about 40% of my pay from Chicago Embassy Church, striking down the parsonage allowance would severely increase my gross taxable income, and thus increase my tax bill dramatically. I would likely have to find secular work to pay the additional tax. This would reduce the time that I have to serve the Church and the community, and would make it difficult for the numerous community programs I run to continue.

18. If the Church increased my salary or housing allowance to compensate for the tax, this would strain the Church's finances and restrict its ability to carry out its religious mission to the Englewood community. The Church considers it a sacred duty to use the members' tithes to bless people's lives. This past year, the Church invested about \$360,000 in our community programs. This represents over half of the Church's entire annual budget.

19. The Church makes an effort to cut other costs in order to maximize the portion of Church funds that are used to serve the members of our Englewood community. For example, the Church saves on utility costs during the winter by turning the thermostat below a comfortable temperature in the Church building and holding our weekly services in a smaller rented space. We have also kept the Church's personnel budget under \$150,000, which is less than a quarter of the total budget. Taxing my housing allowance would force the church to cut back on its community ministry in order to increase the personnel budget. That would represent much more

than a financial cost. These community programs are a fundamental part of the Church's religious mission and how we live our Christian faith.

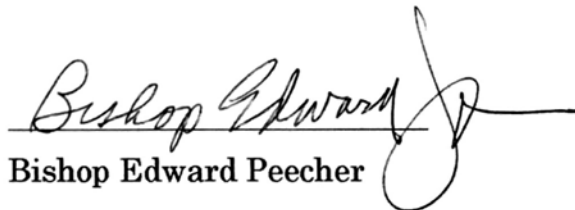
20. I first realized this threat on November 1, 2016, after learning that employees from FFRF were challenging the parsonage allowance in *Gaylor v. Lew*.

21. I was particularly concerned because it is my understanding FFRF successfully challenged the parsonage allowance once before. I understand that the first case was decided without the participation of any ministers like me who actually use the parsonage allowance, and who would suffer financial harm if it was struck down. I also felt it was important for the Court to see how striking down the parsonage allowance would negatively impact the many community ministries that my congregation participates in as a fundamental part of our Christian faith. The government defendants in this case do not share my religious beliefs, and their money and faith are not on the line. Consequently, I cannot expect them to assert the Church's and my interests in the continued availability of the parsonage allowance.

22. After learning of this case, I felt impressed to take an active role in fending off this threat and, on November 3, 2016, decided to seek to intervene in *Gaylor v. Lew* to protect my and the Church's rights.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 9, 2016.


Bishop Edward Peecher